

**Agency Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	145.49	(10.50)	1.00	135.99	(10.50)	1.00	135.99	135.99
Personal Services	5,372,423	288,200	231,435	5,892,058	282,839	525,129	6,180,391	12,072,449
Operating Expenses	1,924,622	418,195	11,270	2,354,087	388,958	9,120	2,322,700	4,676,787
Equipment	129,713	(14,850)	0	114,863	43,350	0	173,063	287,926
<b>Total Costs</b>	<b>\$7,426,758</b>	<b>\$691,545</b>	<b>\$242,705</b>	<b>\$8,361,008</b>	<b>\$715,147</b>	<b>\$534,249</b>	<b>\$8,676,154</b>	<b>\$17,037,162</b>
General Fund	521,303	31,011	56,513	608,827	29,095	76,951	627,349	1,236,176
State/Other Special	5,627,536	473,328	146,244	6,247,108	501,449	382,596	6,511,581	12,758,689
Federal Special	1,277,919	187,206	39,948	1,505,073	184,603	74,702	1,537,224	3,042,297
<b>Total Funds</b>	<b>\$7,426,758</b>	<b>\$691,545</b>	<b>\$242,705</b>	<b>\$8,361,008</b>	<b>\$715,147</b>	<b>\$534,249</b>	<b>\$8,676,154</b>	<b>\$17,037,162</b>

**Agency Description**

The Department of Livestock is responsible for controlling and eradicating animal diseases, preventing the transmission of animal diseases to humans, protecting the livestock industry from theft and predatory animals, and regulating the milk industry relative to producer pricing. The department, which is provided for in 2-15-3101, MCA, consists of the Board of Livestock and its appointed executive officer; the Livestock Crimestoppers' Commission; and the Beef Research and Marketing Committee. The department is organized into five divisions: Animal Health, Centralized Services, Brand-Enforcement, Diagnostic Laboratory, and Meat, Milk, and Egg Inspection. The 57th Legislature added the Board of Horse Racing and its staff to the Department of Livestock. The Board of Livestock, which is the statutory head of the Department of Livestock, consists of seven members appointed by the Governor and confirmed by the Senate to serve six-year terms.

**Agency Highlights**

Department of Livestock Major Budget Highlights	
Total funding increases of \$2.1 million or 14.7 percent over the FY 2004 base year are due to:	
♦	Statewide and other present law adjustments of \$1.4 million are for: <ul style="list-style-type: none"> <li>• \$451,586 for continued participation in the state-federal cooperative agreement for brucellosis management</li> <li>• \$439,544 in personal services and fixed costs</li> <li>• \$188,610 for overtime pay for brands inspectors during the fall run</li> <li>• Purchase of 6 vehicles across the agency totaling \$156,000</li> <li>• Remaining increases are primarily for rent, travel, and per diem</li> </ul>
♦	New proposals of \$776,954 are for: <ul style="list-style-type: none"> <li>• \$656,956 to implement HB 447 statewide pay plan</li> <li>• \$119,996 for additional meat inspectors due to increased workloads in eastern Montana</li> </ul>
♦	The legislature appropriated additional funding in HB 484 for additional inspections and licensing for mobile slaughter facilities

### Summary of Legislative Action

The legislature increased the Department of Livestock budget by \$2.1 million over the fiscal 2004 base expenditures primarily for statewide and other present law adjustments of \$1.4 million and funding the new statewide pay plan in HB 447 of \$657,000.

Of the \$2.1 million increase, general fund accounts for \$193,570 or 8 percent and is primarily used for matching federal funds in the Meat and Poultry Inspection program for additional meat inspectors in eastern Montana. Per cooperative agreement with the United States Department of Agriculture (USDA), state special revenue funds cannot be used when they are derived through a fee on the producers being inspected by the program.

State special revenue increased by \$1.5 million or 70 percent and primarily funds the increases in statewide and other present law adjustments of \$1.4 million and the bulk of the new statewide pay plan in HB 447.

Federal special revenue increased by \$486,459 or 22 percent over the biennium and continues the cooperative agreement for brucellosis management and the Greater Yellowstone Interagency Brucellosis Committee of \$451,586.

### Funding

The following table shows funding, by program and source, as adopted by the legislature. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2007 Biennium Legislative Budget					
Agency Program	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
01 Centralized Services Program	\$ -	\$ 3,220,346	\$ 134,688	\$ 3,355,034	19.69%
03 Diagnostic Laboratory Program	190,054	2,531,498	-	2,721,552	15.97%
04 Animal Health Division	-	1,022,000	1,822,442	2,844,442	16.70%
05 Milk & Egg Program	-	539,427	86,767	626,194	3.68%
06 Brands Enforcement Division	-	5,431,831	-	5,431,831	31.88%
10 Meat/Poultry Inspection	1,046,122	13,587	998,400	2,058,109	12.08%
Grand Total	\$ 1,236,176	\$ 12,758,689	\$ 3,042,297	\$ 17,037,162	100.00%

The Department of Livestock is funded by general fund, state special revenue, and federal special revenue.

General fund supports two programs within livestock: 1) the diagnostic lab in Bozeman; and 2) meat/poultry inspections. The diagnostic lab receives general fund for its role in testing for public health and safety related diseases. Funding for meat inspections is a 50-50 match of general fund and federal special revenue.

The livestock per capita account is the largest state special revenue account and funds a multitude of programs. Per capita revenue is generated by taxation on the ownership of livestock and interest earnings on the fund balance. The animal health account also funds a variety of services and derives its revenues from lab testing fees and milk tax inspection.

Sixty-two percent of the federal special revenue comes from the bison operational cooperative agreement for \$660,000 over the biennium, and the Greater Yellowstone Interagency Brucellosis Committee grant for \$237,500 over the biennium. About 30 percent of the funding comes from the USDA in matching funds for meat and poultry inspections.

### Other Legislation

House Bill 484 – HB 484 defines what a mobile slaughter facility is and establishes licensing for those facilities. HB 484 requires these mobile facilities to comply with the same inspections and regulations required of all slaughter facilities throughout Montana. The legislature appropriated approximately \$92,000 in FY 2006 and \$85,000 in FY 2007 for the anticipated increase in expenditures for licensing and inspections. The source of revenue for HB 484 is 50 percent general fund and 50 percent federal funds.

**Executive Budget Comparison**

The following table compares the legislative budget for the 2007 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2004	Executive Budget Fiscal 2006	Legislative Budget Fiscal 2006	Leg – Exec. Difference Fiscal 2006	Executive Budget Fiscal 2007	Legislative Budget Fiscal 2007	Leg – Exec. Difference Fiscal 2007	Biennium Difference Fiscal 06-07
FTE	145.49	135.99	135.99	0.00	135.99	135.99	0.00	
Personal Services	5,372,423	5,689,161	5,892,058	202,897	5,683,730	6,180,391	496,661	699,558
Operating Expenses	1,924,622	2,321,087	2,354,087	33,000	2,289,700	2,322,700	33,000	66,000
Equipment	129,713	114,863	114,863	0	173,063	173,063	0	0
<b>Total Costs</b>	<b>\$7,426,758</b>	<b>\$8,125,111</b>	<b>\$8,361,008</b>	<b>\$235,897</b>	<b>\$8,146,493</b>	<b>\$8,676,154</b>	<b>\$529,661</b>	<b>\$765,558</b>
General Fund	521,303	570,368	608,827	38,459	567,342	627,349	60,007	98,466
State/Other Special	5,627,536	6,071,564	6,247,108	175,544	6,099,685	6,511,581	411,896	587,440
Federal Special	1,277,919	1,483,179	1,505,073	21,894	1,479,466	1,537,224	57,758	79,652
<b>Total Funds</b>	<b>\$7,426,758</b>	<b>\$8,125,111</b>	<b>\$8,361,008</b>	<b>\$235,897</b>	<b>\$8,146,493</b>	<b>\$8,676,154</b>	<b>\$529,661</b>	<b>\$765,558</b>

For the biennium, the legislative budget is \$765,558 more in total funds than the executive budget. General fund is \$98,446 higher for an increase of 12 percent over the executive proposal for the 2007 biennium. The primary differences between the legislative and executive budgets are due to the following:

- A contingent line item for an additional meat inspector due to workload increases of \$25,000 general fund each year
- An accounting error in the base year that left out \$28,000 in printing costs each year.
- HB 447, the statewide pay plan increased the following authority over the biennium: general fund – \$48,466; state special revenue - \$528,839; federal special revenue - \$79,652

**Program Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	23.28	(3.50)	0.00	19.78	(3.50)	0.00	19.78	19.78
Personal Services	822,944	55,123	28,446	906,513	54,758	74,208	951,910	1,858,423
Operating Expenses	697,064	65,832	0	762,896	36,651	0	733,715	1,496,611
Equipment	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$1,520,008</b>	<b>\$120,955</b>	<b>\$28,446</b>	<b>\$1,669,409</b>	<b>\$91,409</b>	<b>\$74,208</b>	<b>\$1,685,625</b>	<b>\$3,355,034</b>
State/Other Special	1,454,977	120,955	27,191	1,603,123	91,409	70,837	1,617,223	3,220,346
Federal Special	65,031	0	1,255	66,286	0	3,371	68,402	134,688
<b>Total Funds</b>	<b>\$1,520,008</b>	<b>\$120,955</b>	<b>\$28,446</b>	<b>\$1,669,409</b>	<b>\$91,409</b>	<b>\$74,208</b>	<b>\$1,685,625</b>	<b>\$3,355,034</b>

**Program Description**

The Centralized Services Division is responsible for budgeting, accounting, payroll, personnel, legal services, purchasing, administrative, information technology, and general services functions for the department. The division also provides the overall management of the Milk Control Bureau. The Board of Livestock and the executive officer administer the Predator Control Program. Although the board placed the predator function in this division during the 2003 biennium, all functions remain unchanged, including the two aircraft and the contract with U.S. Department of Agriculture Wildlife Services. Through helicopter hunting and contracts, predators that kill or injure domestic livestock, primarily coyotes, are controlled.

The Livestock Crimestoppers' Commission and the Beef Research and Marketing Committee are administratively attached. The 57th Legislature moved the Board of Horse Racing to the Department of Livestock. This board and its staff report directly to the executive officer.

**Program Highlights**

Centralized Services Program Major Budget Highlights	
♦	The approved budget reduces 3.50 FTE due to revenue shortfalls caused by the extended drought conditions throughout the state of Montana
♦	Increased funding is due primarily to statewide present law adjustments and the statewide pay plan

**Funding**

The following table shows funding, by source, for the base year and for the 2007 biennium.

		Program Funding Table Centralized Services Program					
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
02000	Total State Special Funds	\$ 1,454,977	95.7%	\$ 1,603,123	96.0%	\$ 1,617,223	95.9%
	02029 Board Of Horse Racing	175,272	11.5%	201,950	12.1%	209,364	12.4%
	02426 Lvstk Per Capita	1,095,090	72.0%	1,206,575	72.3%	1,205,276	71.5%
	02817 Milk Control Bureau	184,615	12.1%	194,598	11.7%	202,583	12.0%
03000	Total Federal Special Funds	65,031	4.3%	66,286	4.0%	68,402	4.1%
	03209 Meat/Poultry Inspection Sp Rev	65,031	4.3%	66,286	4.0%	68,402	4.1%
	03707 Homeland Security	-	-	-	-	-	-
Grand Total		<u>\$ 1,520,008</u>	<u>100.0%</u>	<u>\$ 1,669,409</u>	<u>100.0%</u>	<u>\$ 1,685,625</u>	<u>100.0%</u>

The Centralized Services Program (CSP) is funded with state and federal special revenue. State special revenue consists of livestock per capita fee and the Milk Control Bureau. The Board of Horse Racing is funded entirely with the Board of Horse Racing state special revenue, about 12 percent of total revenue. Livestock per capita fees fund about 73 percent of total costs and the Milk Control Bureau funds 12 percent. Federal special revenue comes from meat and poultry inspection, and comprises about 4 percent of total revenues.

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					243,574					243,712
Vacancy Savings					(42,662)					(42,663)
Inflation/Deflation					(16,121)					(16,116)
Fixed Costs					35,590					6,212
Total Statewide Present Law Adjustments					\$220,381					\$191,145
DP 1 - Information Technology Departmental Equipment	0.00	0	12,730	0	12,730	0.00	0	12,730	0	12,730
DP 2 - FTE Reduction - Centralized Services Division	(3.00)	0	(129,839)	0	(129,839)	(3.00)	0	(130,408)	0	(130,408)
DP 104 - Board of Livestock - Per Diem	0.00	0	8,550	0	8,550	0.00	0	8,550	0	8,550
DP 105 - Board of Horse Racing - Office Rent	(0.50)	0	4,629	0	4,629	(0.50)	0	4,888	0	4,888
DP 106 - Out of State Travel-CSD	0.00	0	3,204	0	3,204	0.00	0	3,204	0	3,204
DP 107 - Board of Horse Racing - Per Diem	0.00	0	1,300	0	1,300	0.00	0	1,300	0	1,300
Total Other Present Law Adjustments										
	(3.50)	\$0	(\$99,426)	\$0	(\$99,426)	(3.50)	\$0	(\$99,736)	\$0	(\$99,736)
Grand Total All Present Law Adjustments					\$120,955					\$91,409

DP 1 - Information Technology Departmental Equipment - The legislature approved additional livestock per capita fee authority to replace 10 computers each year of the 2007 biennium. This is in accordance with the department's four-year replacement plan.

DP 2 - FTE Reduction - Centralized Services Division - The legislature approved eliminating 3.00 FTE: an attorney, accounting technician, and a programmer/analyst. Livestock per capita fee state special revenue cost savings is \$129,839 in FY 2006 and \$130,408 in FY 2007.

DP 104 - Board of Livestock - Per Diem - The legislature approved additional livestock per capita fee authority each year of the biennium to fund per diem costs for the Board of Livestock.

DP 105 - Board of Horse Racing - Office Rent - The legislature approved additional state special revenue over the biennium for an increase in rent for the Board of Horse Racing.

DP 106 - Out of State Travel-CSD - The legislature approved an additional \$3,204 state special revenue authority each year of the biennium for out-of-state travel for the executive staff and some Board of Livestock members.

DP 107 - Board of Horse Racing - Per Diem - The legislature approved per diem of \$1,300 each year in the biennium for the Board of Horse Racing. The funding source for this authority is state special revenue.

### New Proposals

New Proposals										
-----Fiscal 2006-----						-----Fiscal 2007-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6010 - 2007 Biennium Pay Plan - HB 447										
01	0.00	0	27,191	1,255	28,446	0.00	0	70,837	3,371	74,208
Total	0.00	\$0	\$27,191	\$1,255	\$28,446	0.00	\$0	\$70,837	\$3,371	\$74,208

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

### Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	21.00	(0.50)	0.00	20.50	(0.50)	0.00	20.50	20.50
Personal Services	841,232	80,312	28,428	949,972	78,920	74,229	994,381	1,944,353
Operating Expenses	358,119	25,044	0	383,163	29,717	0	387,836	770,999
Equipment	66,850	(66,850)	0	0	(60,650)	0	6,200	6,200
<b>Total Costs</b>	<b>\$1,266,201</b>	<b>\$38,506</b>	<b>\$28,428</b>	<b>\$1,333,135</b>	<b>\$47,987</b>	<b>\$74,229</b>	<b>\$1,388,417</b>	<b>\$2,721,552</b>
General Fund	91,911	0	1,742	93,653	0	4,490	96,401	190,054
State/Other Special	1,174,290	38,506	26,686	1,239,482	47,987	69,739	1,292,016	2,531,498
Federal Special	0	0	0	0	0	0	0	0
<b>Total Funds</b>	<b>\$1,266,201</b>	<b>\$38,506</b>	<b>\$28,428</b>	<b>\$1,333,135</b>	<b>\$47,987</b>	<b>\$74,229</b>	<b>\$1,388,417</b>	<b>\$2,721,552</b>

### Program Description

The Diagnostic Laboratory provides livestock laboratory diagnostic support for the Disease Control Program, Milk and Egg program, and livestock producers. Testing is done for zoonotic diseases and on dairy products to protect the health of Montana citizens. Laboratory testing services are conducted upon request to assist animal owners, veterinarians, the Department of Fish, Wildlife and Parks and other agencies in protecting the health of animals, wildlife, and the public.

### Program Highlights

Diagnostic Laboratory Major Budget Highlights	
♦	The legislative budget includes reductions in the diagnostic laboratory of \$164,192 over the biennium for equipment expenditures in the base year that are not needed in the 2007 biennium
♦	Increased funding is due primarily to statewide present law adjustments and the statewide pay plan

### Funding

The following table shows funding, by source, for the base year and for the 2007 biennium.

Program Funding Table Diagnostic Laboratory Program						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01000 Total General Fund	\$ 91,911	7.3%	\$ 93,653	7.0%	\$ 96,401	6.9%
01100 General Fund	91,911	7.3%	93,653	7.0%	96,401	6.9%
02000 Total State Special Funds	1,174,290	92.7%	1,239,482	93.0%	1,292,016	93.1%
02426 Lvstk Per Capita	196,499	15.5%	203,962	15.3%	210,370	15.2%
02427 Animal Health	977,791	77.2%	1,035,520	77.7%	1,081,646	77.9%
<b>Grand Total</b>	<b>\$ 1,266,201</b>	<b>100.0%</b>	<b>\$ 1,333,135</b>	<b>100.0%</b>	<b>\$ 1,388,417</b>	<b>100.0%</b>

The Diagnostic Laboratory Program is funded with a mixture of general fund and state special revenue. General fund accounts for 19 percent of total funding and has historically been authorized for public health related testing. State special revenue is about 81 percent of total funding and comes from two primary sources: 1) the animal health account, which receives revenue from lab inspections, testing fees, and the milk tax and accounts for 65 percent of total state special revenue; and 2) the livestock per capita fee, which is derived from a tax upon each head of livestock owned by producers.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					137,760					136,429
Vacancy Savings					(39,159)					(39,106)
Inflation/Deflation					2,401					1,789
Total Statewide Present Law Adjustments					\$101,002					\$99,112
DP 301 - Diagnostic Lab Equipment										
	0.00	0	(28,350)	0	(28,350)	0.00	0	(22,150)	0	(22,150)
DP 302 - FTE Reduction - Diagnostic Laboratory										
	(0.50)	0	(18,289)	0	(18,289)	(0.50)	0	(18,403)	0	(18,403)
DP 304 - Lab Recharges - MSU Facilities Management										
	0.00	0	19,561	0	19,561	0.00	0	24,846	0	24,846
DP 306 - Out of State Travel -Lab										
	0.00	0	3,082	0	3,082	0.00	0	3,082	0	3,082
DP 307 - Reduction - Milk Lab Equipment										
	0.00	0	(38,500)	0	(38,500)	0.00	0	(38,500)	0	(38,500)
Total Other Present Law Adjustments										
	(0.50)	\$0	(\$62,496)	\$0	(\$62,496)	(0.50)	\$0	(\$51,125)	\$0	(\$51,125)
Grand Total All Present Law Adjustments					\$38,506					\$47,987

DP 301 - Diagnostic Lab Equipment - The legislature approved a reduction in equipment expenditures of \$28,350 in FY 2006, and approved purchasing a photocopier costing \$6,200 in FY 2007. The net reduction in equipment expenditures in FY 2007 is \$22,150.

DP 302 - FTE Reduction - Diagnostic Laboratory - The legislature approved reducing the administrative support position from full-time to part-time in the diagnostic laboratory. The cost savings associated with this reduction is \$18,829 in FY 2006 and \$18,403 in FY 2007.

DP 304 - Lab Recharges - MSU Facilities Management - The legislature approved additional state special revenue authority for increased facility services recharges from Montana State University (MSU). Funding is from the livestock per capita fund.

DP 306 - Out of State Travel -Lab - The legislature approved an increase in animal health authority of \$3,082 a year in order to allow out-of-state travel for key lab personnel. The amount approved would restore historical averages for out-of-state travel.

DP 307 - Reduction - Milk Lab Equipment - The legislature approved a reduction in equipment expenditures of \$38,500 each year.



**New Proposals**

New Proposals										
-----Fiscal 2006-----						-----Fiscal 2007-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6010 - 2007 Biennium Pay Plan - HB 447										
03	0.00	1,742	26,686	0	28,428	0.00	4,490	69,739	0	74,229
<b>Total</b>	<b>0.00</b>	<b>\$1,742</b>	<b>\$26,686</b>	<b>\$0</b>	<b>\$28,428</b>	<b>0.00</b>	<b>\$4,490</b>	<b>\$69,739</b>	<b>\$0</b>	<b>\$74,229</b>

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

**Program Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	17.00	(3.00)	0.00	14.00	(3.00)	0.00	14.00	14.00
Personal Services	546,639	80,050	20,200	646,889	78,931	52,591	678,161	1,325,050
Operating Expenses	416,083	267,913	0	683,996	267,587	0	683,670	1,367,666
Equipment	62,863	0	0	62,863	26,000	0	88,863	151,726
<b>Total Costs</b>	<b>\$1,025,585</b>	<b>\$347,963</b>	<b>\$20,200</b>	<b>\$1,393,748</b>	<b>\$372,518</b>	<b>\$52,591</b>	<b>\$1,450,694</b>	<b>\$2,844,442</b>
State/Other Special	274,981	201,064	12,642	488,687	225,619	32,713	533,313	1,022,000
Federal Special	750,604	146,899	7,558	905,061	146,899	19,878	917,381	1,822,442
<b>Total Funds</b>	<b>\$1,025,585</b>	<b>\$347,963</b>	<b>\$20,200</b>	<b>\$1,393,748</b>	<b>\$372,518</b>	<b>\$52,591</b>	<b>\$1,450,694</b>	<b>\$2,844,442</b>

**Program Description**

The Animal Health Division provides diagnosis, prevention, control, and eradication of animal diseases, including those in bison and game farm animals. The program cooperates with the Departments of Public Health and Human Services, Fish, Wildlife and Parks, and Agriculture to protect human health from animal diseases transmissible to humans. Sanitary standards are supervised for animal concentration points, such as auction markets, and certain animal product processing facilities, such as rendering plants. The Rabies Control Unit protects public health from rabies by controlling the transmission of domestic animal and wildlife rabies, particularly through eradication of skunks.

**Program Highlights**

Animal Health Division Major Budget Highlights	
♦	The legislature approved the continued participation in the state-federal cooperative agreement for brucellosis management and the Greater Yellowstone Interagency Brucellosis Committee
♦	The approved budget reduces 3.00 FTE in the Animal Health Division due to revenue shortfalls caused by the extended drought conditions throughout the state of Montana

**Funding**

The following table shows program funding, by source, for the base year and for the 2007 biennium.

		Program Funding Table Animal Health Division					
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
02000	Total State Special Funds	\$ 274,981	26.8%	\$ 488,687	35.1%	\$ 533,313	36.8%
	02426 Lvstk Per Capita	260,050	25.4%	473,361	34.0%	517,364	35.7%
	02427 Animal Health	14,931	1.5%	15,326	1.1%	15,949	1.1%
03000	Total Federal Special Funds	750,604	73.2%	905,061	64.9%	917,381	63.2%
	03427 Bison Trap Funds	750,604	73.2%	905,061	64.9%	917,381	63.2%
Grand Total		<u>\$ 1,025,585</u>	<u>100.0%</u>	<u>\$ 1,393,748</u>	<u>100.0%</u>	<u>\$ 1,450,694</u>	<u>100.0%</u>

The Animal Health Division is funded with federal and state special revenue. Federal special revenue comes from the Greater Yellowstone Interagency Brucellosis Committee grant of \$237,503 over the biennium and the bison operational cooperative agreement of \$660,000 over the biennium. State special revenue comes from the livestock per capita fund.

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----					-----Fiscal 2007-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					239,941					239,063
Vacancy Savings					(31,465)					(31,427)
Inflation/Deflation					11					22
<b>Total Statewide Present Law Adjustments</b>					<b>\$208,487</b>					<b>\$207,658</b>
DP 401 - Animal Health-Vehicle Replacement-OTO	0.00	0	0	0	0	0.00	0	26,000	0	26,000
DP 402 - FTE Reduction - Animal Health Division	(2.00)	0	(90,446)	0	(90,446)	(2.00)	0	(90,814)	0	(90,814)
DP 403 - FTE Reduction - Bison Management	(1.00)	0	0	0	0	(1.00)	0	0	0	0
DP 404 - Out of State Travel- Animal Health	0.00	0	4,005	0	4,005	0.00	0	4,005	0	4,005
DP 405 - Bison Management - Federal Funds	0.00	0	0	225,917	225,917	0.00	0	0	225,669	225,669
<b>Total Other Present Law Adjustments</b>	<b>(3.00)</b>	<b>\$0</b>	<b>(\$86,441)</b>	<b>\$225,917</b>	<b>\$139,476</b>	<b>(3.00)</b>	<b>\$0</b>	<b>(\$60,809)</b>	<b>\$225,669</b>	<b>\$164,860</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$347,963</b>					<b>\$372,518</b>

DP 401 - Animal Health-Vehicle Replacement-OTO - The legislature approved state special revenue authority to replace one 4x4 pickup. Funding for this request comes from the livestock per capita fund.

DP 402 - FTE Reduction - Animal Health Division - The legislature approved a reduction of 2.00 FTE - a veterinarian and an administrative support position. These positions are being eliminated due to the drought and decreased funds in the livestock per capita account. The annual savings from the elimination of these positions is \$90,446 in FY 2006 and \$90,814 in FY 2007.

DP 403 - FTE Reduction - Bison Management - The legislature approved that 1.00 FTE be transferred from Animal Health Investigation to the federally funded Animal Health Bison Management Section. This action eliminates a vacant position and maintains the 6.00 FTE authorized in Bison Management Program.

DP 404 - Out of State Travel- Animal Health - The legislature approved an increase in state special revenue to allow out-of-state travel for the state veterinarian. This proposal is funded from the livestock per capita fund.

DP 405 - Bison Management - Federal Funds - The legislature approved federal special revenue authority for additional consultants and professional services and equipment.

### New Proposals

New Proposals										
Program	FTE	Fiscal 2006				Fiscal 2007				Total Funds
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	
DP 6010 - 2007 Biennium Pay Plan - HB 447										
04	0.00	0	12,642	7,558	20,200	0.00	0	32,713	19,878	52,591
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$12,642</b>	<b>\$7,558</b>	<b>\$20,200</b>	<b>0.00</b>	<b>\$0</b>	<b>\$32,713</b>	<b>\$19,878</b>	<b>\$52,591</b>

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

### Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00	5.00
Personal Services	237,557	4,738	7,288	249,583	5,133	18,957	261,647	511,230
Operating Expenses	33,847	10,635	0	44,482	10,635	0	44,482	88,964
Equipment	0	0	0	0	26,000	0	26,000	26,000
<b>Total Costs</b>	<b>\$271,404</b>	<b>\$15,373</b>	<b>\$7,288</b>	<b>\$294,065</b>	<b>\$41,768</b>	<b>\$18,957</b>	<b>\$332,129</b>	<b>\$626,194</b>
State/Other Special	239,199	6,077	6,242	251,518	32,472	16,238	287,909	539,427
Federal Special	32,205	9,296	1,046	42,547	9,296	2,719	44,220	86,767
<b>Total Funds</b>	<b>\$271,404</b>	<b>\$15,373</b>	<b>\$7,288</b>	<b>\$294,065</b>	<b>\$41,768</b>	<b>\$18,957</b>	<b>\$332,129</b>	<b>\$626,194</b>

### Program Description

The Milk and Egg Inspection program ensures that eggs, milk, and milk products sold or manufactured in Montana are fit for human consumption. Enforcement of state and federal laws are accomplished through licensing, sampling, laboratory testing, and product and site inspections, done in cooperation with other state and federal agencies.

### Program Highlights

Milk and Egg Program Major Budget Highlights	
♦	Funding increases are primarily due to the purchase of one new vehicle and the statewide pay plan

### Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature.

Program Funding Table Milk & Egg Program							
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
02000	Total State Special Funds	\$ 239,199	88.1%	\$ 251,518	85.5%	\$ 287,909	86.7%
	02427 Animal Health	239,199	88.1%	251,518	85.5%	287,909	86.7%
03000	Total Federal Special Funds	32,205	11.9%	42,547	14.5%	44,220	13.3%
	03032 Animal Health Sp. Rev	32,205	11.9%	42,547	14.5%	44,220	13.3%
Grand Total		<u>\$ 271,404</u>	<u>100.0%</u>	<u>\$ 294,065</u>	<u>100.0%</u>	<u>\$ 332,129</u>	<u>100.0%</u>

The Milk and Egg Program is funded with state special revenue and federal special revenue. The animal health account provides 88 percent of revenue for the Milk and Egg Division. A portion of animal health revenues comes from the tax on all milk producers. The current tax is 13.5 cents per hundred-weight, which is set by the Board of Livestock. In FY 2004 the tax on milk producers was changed from 14.97 cents on Class I milk to 13.5 cents on all classes of milk. Federal special revenues are provided by the U.S. Department of Agriculture to conduct eggshell surveillance.

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					14,834					15,244
Vacancy Savings					(10,096)					(10,111)
<b>Total Statewide Present Law Adjustments</b>					<b>\$4,738</b>					<b>\$5,133</b>
DP 501 - Vehicle Replacement-Milk & Egg Bureau	0.00	0	0	0	0	0.00	0	26,000	0	26,000
DP 502 - Milk and Egg Bureau - Shell Egg Fed Funds	0.00	0	0	7,500	7,500	0.00	0	0	7,500	7,500
DP 503 - Out of State Travel - Milk and Egg Inspection	0.00	0	3,135	0	3,135	0.00	0	3,135	0	3,135
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$3,135</b>	<b>\$7,500</b>	<b>\$10,635</b>	<b>0.00</b>	<b>\$0</b>	<b>\$29,135</b>	<b>\$7,500</b>	<b>\$36,635</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$15,373</b>					<b>\$41,768</b>

DP 501 - Vehicle Replacement-Milk & Egg Bureau - The legislature approved replacement of one pickup truck assigned to a sanitarian in the Milk and Egg Bureau in FY 2007 for \$26,000. Funding is from the animal health fund.

DP 502 - Milk and Egg Bureau - Shell Egg Fed Funds - The legislature approved an additional \$7,500 each year in federal special revenue spending authority for increased inspections of poultry and animal welfare.

DP 503 - Out of State Travel - Milk and Egg Inspection - The legislature approved out of state travel for milk and egg sanitarians to attend national conferences so they can maintain certification and receive training to improve their inspection processes and review new regulations that have been adopted. Travel and training costs are estimated at \$3,135 state special revenue each year of the 2007 biennium.

**New Proposals**

New Proposals										
-----Fiscal 2006-----						-----Fiscal 2007-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6010 - 2007 Biennium Pay Plan - HB 447										
05	0.00	0	6,242	1,046	7,288	0.00	0	16,238	2,719	18,957
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$6,242</b>	<b>\$1,046</b>	<b>\$7,288</b>	<b>0.00</b>	<b>\$0</b>	<b>\$16,238</b>	<b>\$2,719</b>	<b>\$18,957</b>

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

**Program Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	61.71	(4.50)	0.00	57.21	(4.50)	0.00	57.21	57.21
Personal Services	2,253,448	24,244	73,310	2,351,002	21,354	192,605	2,467,407	4,818,409
Operating Expenses	224,166	30,482	0	254,648	30,608	0	254,774	509,422
Equipment	0	52,000	0	52,000	52,000	0	52,000	104,000
<b>Total Costs</b>	<b>\$2,477,614</b>	<b>\$106,726</b>	<b>\$73,310</b>	<b>\$2,657,650</b>	<b>\$103,962</b>	<b>\$192,605</b>	<b>\$2,774,181</b>	<b>\$5,431,831</b>
State/Other Special	2,477,614	106,726	73,310	2,657,650	103,962	192,605	2,774,181	5,431,831
<b>Total Funds</b>	<b>\$2,477,614</b>	<b>\$106,726</b>	<b>\$73,310</b>	<b>\$2,657,650</b>	<b>\$103,962</b>	<b>\$192,605</b>	<b>\$2,774,181</b>	<b>\$5,431,831</b>

**Program Description**

The Brands Enforcement Division is responsible for livestock theft investigations, stray livestock investigations, brand inspections, recording of livestock brands, filing of security interests on livestock, livestock auction licensing, livestock dealer licensing, hide inspections, and beef inspections.

**Program Highlights**

Brands Enforcement Division Major Budget Highlights	
♦	The legislature approved a reduction of 4.50 FTE due to revenue shortfalls caused by the extended drought conditions throughout the state of Montana
♦	Increased funding is due primarily to the purchase of new vehicles, overtime for brand inspectors, and funding of the statewide pay plan

**Funding**

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature.

Program Funding Table Brands Enforcement Division						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
02000 Total State Special Funds	\$ 2,477,614	100.0%	\$ 2,657,650	100.0%	\$ 2,774,181	100.0%
02425 Inspection And Control	1,874,800	75.7%	1,628,966	61.3%	1,698,743	61.2%
02426 Lvstk Per Capita	602,814	24.3%	1,028,684	38.7%	1,075,438	38.8%
<b>Grand Total</b>	<b>\$ 2,477,614</b>	<b>100.0%</b>	<b>\$ 2,657,650</b>	<b>100.0%</b>	<b>\$ 2,774,181</b>	<b>100.0%</b>

The Brands Enforcement Division is entirely funded with state special revenue. Inspections and control funds 75 percent of expenditures and the livestock per capita account funds 25 percent. The inspections and control account receives revenues from livestock licensing, permits fees, state inspections, and brand recordings. At the time of sale, a \$0.50 assessment is charged each to the buyer and seller for livestock inspections. Every ten years a brand recorder fee is charged and each brand is re-recorded. The inspection of livestock and the brand recorder fees account for 85 percent of all revenues in the inspections and control account.

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				178,322					176,062
Vacancy Savings				(97,272)					(97,180)
Inflation/Deflation				(561)					(435)
<b>Total Statewide Present Law Adjustments</b>				<b>\$80,489</b>					<b>\$78,447</b>
DP 601 - Vehicle Replacement - Brands Division									
0.00	0	52,000	0	52,000	0.00	0	52,000	0	52,000
DP 602 - FTE Reduction - Brands Enforcement Division									
(4.50)	0	(151,111)	0	(151,111)	(4.50)	0	(151,833)	0	(151,833)
DP 603 - Out of State Travel - Brands Division									
0.00	0	3,043	0	3,043	0.00	0	3,043	0	3,043
DP 604 - Overtime - Brands Division									
0.00	0	94,305	0	94,305	0.00	0	94,305	0	94,305
DP 609 - Printing Costs in Brand Enforcement Division									
0.00	0	28,000	0	28,000	0.00	0	28,000	0	28,000
<b>Total Other Present Law Adjustments</b>									
(4.50)	\$0	\$26,237	\$0	\$26,237	(4.50)	\$0	\$25,515	\$0	\$25,515
<b>Grand Total All Present Law Adjustments</b>				<b>\$106,726</b>					<b>\$103,962</b>

DP 601 - Vehicle Replacement - Brands Division - The legislature approved the replacement of two vehicles each year of the 2007 biennium. These are 4x4 extended cab pickups with a cost of \$26,000 per vehicle, for a total cost each year of \$52,000. Funding is provided entirely from the inspection and control account.

DP 602 - FTE Reduction - Brands Enforcement Division - The legislature approved a reduction of 4.50 FTE in the Brands Enforcement Division. Reduced from the budget are a market bureau chief, a half-time administrative support position, and three brand inspectors. The savings occur in the livestock per capita fee. The cost savings is \$151,111 in FY 2006 and \$151,883 in FY 2007.

DP 603 - Out of State Travel - Brands Division - The legislature approved an increase for out-of-state travel of \$3,043 per year. The requested travel is for attendance at the Livestock Identification Association and the Western States Livestock Investigation. Funding is from the livestock per capita account.

DP 604 - Overtime - Brands Division - The legislature approved \$94,305 in state special revenue authority each year of the biennium for overtime. The Brands Enforcement Division experiences an unusual amount of overtime during the fall run when livestock are sold through the markets. This request is funded entirely from the inspection and control account.

DP 609 - Printing Costs in Brand Enforcement Division - The legislature approved \$28,000 each year to restore printing costs due to an accounting error in the base-year. Funding is from the inspection and control fund.



**New Proposals**

New Proposals										
-----Fiscal 2006-----						-----Fiscal 2007-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6010 - 2007 Biennium Pay Plan - HB 447										
06	0.00	0	73,310	0	73,310	0.00	0	192,605	0	192,605
Total	0.00	\$0	\$73,310	\$0	\$73,310	0.00	\$0	\$192,605	\$0	\$192,605

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

### Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	17.50	1.00	1.00	19.50	1.00	1.00	19.50	19.50
Personal Services	670,603	43,733	73,763	788,099	43,743	112,539	826,885	1,614,984
Operating Expenses	195,343	18,289	11,270	224,902	13,760	9,120	218,223	443,125
<b>Total Costs</b>	<b>\$865,946</b>	<b>\$62,022</b>	<b>\$85,033</b>	<b>\$1,013,001</b>	<b>\$57,503</b>	<b>\$121,659</b>	<b>\$1,045,108</b>	<b>\$2,058,109</b>
General Fund	429,392	31,011	54,771	515,174	29,095	72,461	530,948	1,046,122
State/Other Special	6,475	0	173	6,648	0	464	6,939	13,587
Federal Special	430,079	31,011	30,089	491,179	28,408	48,734	507,221	998,400
<b>Total Funds</b>	<b>\$865,946</b>	<b>\$62,022</b>	<b>\$85,033</b>	<b>\$1,013,001</b>	<b>\$57,503</b>	<b>\$121,659</b>	<b>\$1,045,108</b>	<b>\$2,058,109</b>

### Program Description

The Montana Meat and Poultry Inspection Act established the Meat and Poultry Inspection Program in 1987. It implements and enforces a meat and poultry inspection system equal to that maintained by the U.S. Department of Agriculture and the Food Safety Inspection Service to assure clean, wholesome, and properly-labeled meat and poultry products for consumers.

### Program Highlights

Meat and Poultry Inspection Program Major Budget Highlights	
♦	The legislative budget increases general fund and federal special revenue in the Meat and Poultry Inspection Program by adding 2.00 FTE meat inspectors and a biennial line item to add 1.00 FTE meat inspector if workload continues to increase

### Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature.

Program Funding Table Meat/Poultry Inspection							
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01000	Total General Fund	\$ 429,392	49.6%	\$ 515,174	50.9%	\$ 530,948	50.8%
	01100 General Fund	429,392	49.6%	515,174	50.9%	530,948	50.8%
02000	Total State Special Funds	6,475	0.7%	6,648	0.7%	6,939	0.7%
	02427 Animal Health	6,475	0.7%	6,648	0.7%	6,939	0.7%
03000	Total Federal Special Funds	430,079	49.7%	491,179	48.5%	507,221	48.5%
	03209 Meat/Poultry Inspection Sp Rev	430,079	49.7%	491,179	48.5%	507,221	48.5%
Grand Total		<u>\$ 865,946</u>	<u>100.0%</u>	<u>\$ 1,013,001</u>	<u>100.0%</u>	<u>\$ 1,045,108</u>	<u>100.0%</u>

The majority of Meat and Poultry Inspection Program funding is split evenly between federal special revenue and general fund. Per cooperative agreement with the United States Department of Agriculture (USDA), state special revenue funds cannot be used when they are derived through a fee on the producers being inspected by the program. Since state special

revenues are generated from fees on those producers being inspected, the state match is provided by the general fund. A small portion of the funding is state special revenue derived from annual meat establishment license fees.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					42,417					42,498
Vacancy Savings					(28,522)					(28,523)
Inflation/Deflation					(10,141)					(9,750)
<b>Total Statewide Present Law Adjustments</b>					<b>\$3,754</b>					<b>\$4,225</b>
DP 103 - Field Automation Information Management (FAIM)-OTO	0.00	11,080	0	11,080	22,160	0.00	9,695	0	9,695	19,390
DP 111 - Provide Meat Inspectors for Eastern Montana	1.00	18,054	0	18,054	36,108	1.00	16,944	0	16,944	33,888
<b>Total Other Present Law Adjustments</b>	<b>1.00</b>	<b>\$29,134</b>	<b>\$0</b>	<b>\$29,134</b>	<b>\$58,268</b>	<b>1.00</b>	<b>\$26,639</b>	<b>\$0</b>	<b>\$26,639</b>	<b>\$53,278</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$62,022</b>					<b>\$57,503</b>

DP 103 - Field Automation Information Management (FAIM)-OTO - The legislature approved replacement of eight field automation and information management (FAIM) computers in FY 2006 and 7 in FY 2007. The costs are funded 50 percent federal special revenue and 50 percent general fund.

DP 111 - Provide Meat Inspectors for Eastern Montana - The legislature approved adding 1.00 FTE meat inspector for the eastern Montana region. The position is funded 50 percent meat/poultry inspection funds and 50 percent general fund.

### New Proposals

New Proposals										
-----Fiscal 2006-----						-----Fiscal 2007-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 101 - Add 1.0 FTE Meat Inspector	10	18,054	0	18,054	36,108	1.00	16,944	0	16,944	33,888
DP 620 - Additional Meat Inspector	10	25,000	0	0	25,000	0.00	25,000	0	0	25,000
DP 6010 - 2007 Biennium Pay Plan - HB 447	10	11,717	173	12,035	23,925	0.00	30,517	464	31,790	62,771
<b>Total</b>	<b>1.00</b>	<b>\$54,771</b>	<b>\$173</b>	<b>\$30,089</b>	<b>\$85,033</b>	<b>1.00</b>	<b>\$72,461</b>	<b>\$464</b>	<b>\$48,734</b>	<b>\$121,659</b>

DP 101 - Add 1.0 FTE Meat Inspector - The legislature approved adding 1.00 FTE meat inspector for the eastern Montana region. The position is funded 50 percent meat/poultry inspection funds and 50 percent general fund

DP 620 - Additional Meat Inspector - The legislature approved a \$50,000 biennial line item of general fund to be used to meet the federal match requirement for the employment of an additional meat inspector during the 2007 biennium, if workload increases.

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

**Language**

The legislature approved the following language for inclusion in HB 2:

"An additional meat inspector may be used only if approved by the director of the office of budget and program planning for additional FTE because of workload increases."